

Franchise Tax Board

SUMMARY ANALYSIS OF AMENDED BILL

Author: Nation Analyst: Jane Tolman AB 1968

Related Bills: See Prior Analysis Telephone: 845-6111 Amended Date: 03-20-2002

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Exclusion/Energy Conservation Rebates, Vouchers, or Other Financial Incentives

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced February 14, 2002.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 14, 2002 STILL APPLIES.

OTHER - See comments below.

SUMMARY

This bill would exclude from taxation any type of rebate, voucher, or other financial incentive for the purchase or installation of an energy-producing system.

SUMMARY OF AMENDMENTS

The March 20, 2002, amendments:

- Added a local publicly owned electric utility to the type of entity that can give these rebates, and
- Added a fuel cell generating system that produces electricity to the devices that qualify as electrical or thermal load systems.

The amendments did not resolve the concerns identified in the department's analysis of the bill as introduced February 14, 2002. These concerns still apply and are included below for convenience.

The remainder of the department's analysis of the bill as introduced February 14, 2002 still applies.

POSITION

Pending.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

4/5/2002

IMPLEMENTATION CONSIDERATIONS

Since rebates, vouchers, or other financial incentives are not taxable, this bill will not affect the department. However, enacting a statute that expressly states that an energy related rebate is nontaxable could be confusing for the taxpayer with regard to their past and current filing practices because this bill implies that energy related rebates were taxable in the past and other types of rebates are still taxable. The department is available to assist with amendments.

LEGISLATIVE STAFF CONTACT

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